REMARKS

Claims 16-28 are pending in the application. Claims 16-18, 20, 21, 23, 25, 26, and 28 have been amended and claim 29 has been added, leaving claims 16-29 for consideration upon entry of the present Amendment. Support for the new elements in the claims can be found on page 13 of the specification, Figure 1, and the description of Figure 1 in the specification. Applicant requests reconsideration in view of the following remarks and amendment.

Claims 16, 20, 23 and 28 stand rejected under 35 U.S.C. § 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. The use of the word "system" is meant to refer to an apparatus. The claims have been amended to provide the various communications between the sections. The word "section" has been used as a generic term for server, computer, network, etc. As explained on page 34 of the specification the virtual space may be formed by a server, a computer, multiple servers or multiple computers or by the networking including the Internet. In addition, as described in the first paragraph, the system can be contained in one apparatus, or separate apparatuses or some aspects of the invention can be contained in one apparatus with the rest being in multiple apparatus. Thus, by using the word "section," the breadth of the invention is captured. In addition, Applicant has amended claims 16, 20, 23, and 28 rendering the other rejections moot.

Claims 1-5, 10-12 and 14-15 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over Kitano et al. (US 6,085,256) ("Kitano") in view of Wong et al. (US 5,913,203) ("Wong"). As those claims no longer exist, Applicant assumes that the Examiner means claims 16-18, 23-25, and 27-28.

For an obviousness rejection to be proper, the Examiner must meet the burden of establishing that all elements of the invention are disclosed in the prior art; that the prior art relied upon, coupled with knowledge generally available in the art at the time of the invention, must contain some suggestion or incentive that would have motivated the skilled artisan to modify a reference or combined references; and that the proposed modification of the prior art must have had a reasonable expectation of success, determined from the vantage point of the skilled artisan at the time the invention was made. *In re Fine*, 5 U.S.P.Q.2d 1596, 1598 (Fed. Cir. 1988); *In Re Wilson*, 165 U.S.P.Q. 494, 496 (C.C.P.A. 1970); *Amgen v. Chugai Pharmaceuticals Co.*, 927 U.S.P.Q.2d, 1016, 1023 (Fed. Cir. 1996).

Claims 16-18, 23-25, and 27 include the following elements: "a virtual-space creating section to create said virtual space in which subjects of said plurality of computers participate, said yirtual space has a virtual space economy that is independent from a real world economy; a virtualcurrency creating section in communication with said virtual-space creating server, said virtualcurrency creating section to create a virtual currency serving as cash being effective in said virtual space, so as to distribute said virtual-currency among said subjects; a virtual-currency storing section in communication with said virtual-space creating server, said virtual-currency storing section to store said virtual currency created by said virtual-currency creating section; and a valueinformation storing section in communication with said virtual-space creating server, said valueinformation storing section to store value information, which represents value of economic activities in said virtual space, said virtual currency is exchanged for said value information in said virtual space, wherein said virtual currency can be exchanged for a real currency serving as eash in a real world." (Emphasis supplied.) Claim 28 includes the following elements: "creating said virtual space in which subjects of said plurality of computers participate, said virtual space has a virtual space economy that is independent from a real world economy; creating virtual currency serving as cash being effective in said virtual space, so as to distribute said virtual-currency among said subjects; storing said virtual currency, created in said creating step of said virtual currency, in a virtual currency storing section; storing a value information, which represents value of economic activities in said virtual space, in a value-information storing section, said value information is exchanged for said virtual currency in said virtual space; and exchanging said virtual currency into a real currency, which serves as eash in a real world." (Emphasis supplied.)

The claims require that the virtual space has a virtual space economy that is independent from a real world economy. The additional elements in the claims further define the creation of the virtual currency and the value information that serve to create the independent economy. Moreover, the present invention also provides that the virtual currency, which is created in the virtual space and earned as a result of economic activities in the virtual space, can be exchanged back to a real currency, which can then be used in a real world economy. None of the reference teach or suggest these elements.

Kitano discloses the creation of a virtual reality with the objective to achieve economic activity through a close connection with real space and which is closely connected with real space. See column 2, lines 43-49. Figure 11 and column 9, line 33 to column 10, line 67 describe how a

purchase is made in Kitano's virtual reality. In particular, the description explains that a real world currency, such as through a credit card, are used to purchase the objects in the virtual reality. This process of using real world currency fulfills the object of the invention since there is a close connection with real space in that real space currency is being used. As such, there is nothing in Kitano that teaches or suggests creating a virtual space currency or having a virtual space economy that is independent from a real world economy.

The system disclosed by Wong is directed to electronic money/Internet payment system, and specifically relates to a procedure and method in which customers and vendors can buy and sell real world merchandise and information on the Internet by using the Internet cash. See Wong, column 3, lines 40-51. Thus, while Wong discloses the creation of the "pseudo cash," there is no teaching or suggestion of using such cash in a virtual space for economic activities conducted in a virtual space, but rather is the pseudo cash is only usable for buying and selling merchandise and information in the real world through the Internet. Transactions through the Internet are real world economical activities have nothing to do with those in the virtual space activated on the network. Indeed, Wong discloses that "the present invention . . . specifically relates to a procedure and method whereby customers and vendors can buy and sell merchandise and information on the Internet in a manner resembling various degrees of a real-life cash transactions." See column 3, lines 40-45. The teaching in Wong is directed to creating an anonymous transaction on the Internet, which is like using real cash, for real world merchandise.

Thus, at most, Kitano teaches that a virtual reality is created, however, the object of that invention is to make is as closely aligned with the real world, and thus, real world cash is used. Wong discloses the pseudo cash, but teaches that the pseudo cash is used for real world merchandise. As such, there is no <u>virtual space economy</u> in either reference and there is absolutely no disclosure or teaching in the references that would suggest the creation of a virtual space economy that is independent from a real world economy. Moreover, there is no disclosure or teaching in the references in which there is a value-information storing section to store value information, which represents value of economic activities in said virtual space, and that the virtual currency is exchanged for the value information in the virtual space.

Thus, Kitano and Wong do not teach or suggest all of the limitations of claims 16-18, 23-25, and 27-28. Accordingly, Applicant respectfully requests that the rejections be withdrawn.

Claims 19-22, and 26 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over Kitano in view of Wong and further in view of Martinez et al. (US 6,119,229) ("Martinez"). Claims 19-22 and 26 include the same elements as claim 16. Thus, for the reason discussed above, Kitano and Wong do not teach or suggest all of the elements of the claims. Moreover, Martinez does not remedy the deficiencies of Kitano and Wong. Accordingly, for at least that reason, the rejection should be withdrawn.

In addition, claims 19-22 and 26 include the following element: "an identification data generating section to generate identification data sets, each of which is attached to each of said subjects of said plurality of computers, between which said virtual currency are exchanged within said virtual space." While Martinez may disclose the generation of identification data sets, none of the references discloses that virtual currency is exchanged within the virtual space between the subjects that have an identification set. The Examiner asserts that Wong can be combined with Martinez to reach the claimed invention. However, Wong discloses that the pseudo cash is used to create the anonymous transaction and thus, there is no teaching or suggestion as to also creating an identification set. In fact, Wong teach against creating such identification set because to do so would defeat the purpose of the pseudo cash being like real cash and would defeat the anonymous aspect of the transaction. Accordingly Kitano, Wong, and Martinez do not teach or suggest the claimed element.

Moreover, obviousness can only be established by combining or modifying the teachings of the prior art to produce the claimed invention where there is some teaching, suggestion, or motivation to do so found either in the references themselves or in the knowledge generally available to one of ordinary skill in the art. *In re Fine*, 837 F.2d 1071, 5 USPQ2d 1596 (Fed. Cir. 1988); *In re Jones*, 958 F.2d 347, 21 USPQ2d 1941 (Fed. Cir. 1992); MPEP § 2143.01. There is no teaching in the cited art to combine the references in an attempt to produce the claimed invention.

In particular, Kitano and Wong cannot be combined to produce the claimed invention. Kitano teaches that a real world money is used because the object of the invention is to achieve an economic activity that is closely connected with real space. By using real currency, such object is achieved. A virtual currency cannot be used because to do so would teach away from the object of the invention of connecting the virtual reality as closely as possible to real space. Moreover, Wong cannot be combined with Kitano. Wong teaches the use of the pseudo cash for real world

transactions. In particular, Wong is creating an anonymous cash-like transactions for real world services and goods. Wong teaches that the pseudo cash is to be used for real world transactions. The entire teaching is to create a pseudo cash that is like real cash. There is no teaching or suggestion otherwise. Accordingly, there is no motivation to use the pseudo cash in Wong in a virtual reality in which a virtual economy is created.

For these additional reasons, claims 16-28 are patentable over the references and Applicant respectfully requests that claims 16-28 be allowed.

Claim 29 has been added and includes similar limitations as those described above. Thus, for the reasons set forth above, claim 29 is an allowable claim.

In view of the foregoing, it is respectfully submitted that the instant application is in condition for allowance. Accordingly, it is respectfully requested that this application be allowed and a Notice of Allowance issued. If the Examiner believes that a telephone conference with Applicant's attorneys would be advantageous to the disposition of this case, the Examiner is cordially requested to telephone the undersigned.

In the event the Commissioner of Patents and Trademarks deems additional fees to be due in connection with this application, Applicant's attorney hereby authorizes that such fee be charged to Deposit Account No. 06-1130.

Respectfully submitted,

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